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## Netherlands

### Retail Food Sector

### Consolidation of Dutch Food Retail Market

**2006**

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**Report Highlights:**

Ending months of speculation about how it would handle its financial problems, the second largest Dutch food retail company has found buyers for two of its retail formats.

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Includes PSD Changes: No  
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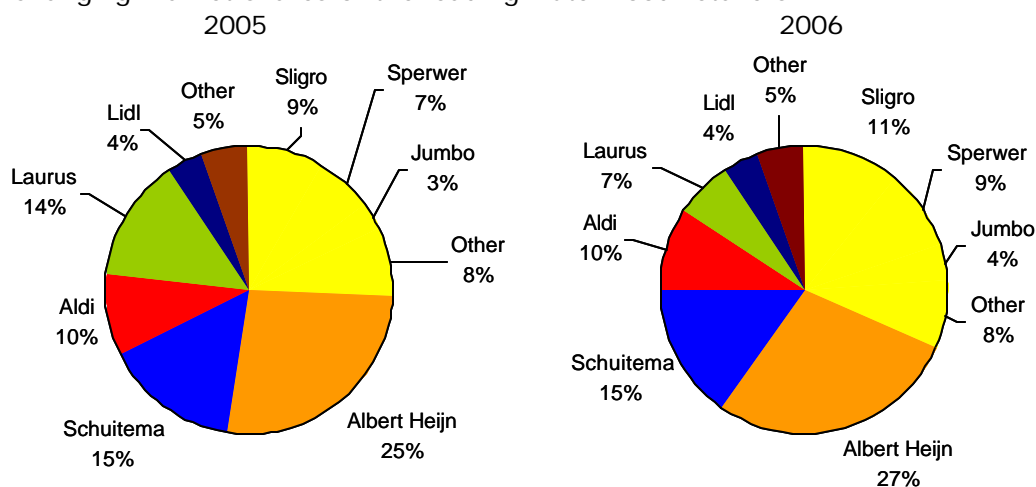
Ending months of speculation about how it would handle its financial problems, the second largest Dutch food retail company, Laurus, has found buyers for two of its retail formats. Sligro Food Group and Sperwer Holding together will buy the Edah format. The Konmar format will be split between two new owners: Ahold, the parent company of Albert Heijn, and retailer Jumbo. Laurus retains ownership of Super de Boer. The new ownership will revamp Edah and Konmar stores, bringing them under existing formats such as Albert Heijn, Jumbo and Plus.

Laurus has been struggling for years now. In 2000, Laurus started transforming the majority of its supermarket into Konmar supermarkets. Supermarkets like Edah, Super de Boer and Groenwoudt became Konmar supermarkets, a full service supermarket similar to Albert Heijn. The goal of this restructuring was to start competing with Albert Heijn for its market leadership. However, because of mismanagement and the absence of customers, the transformation failed and led to financial problems for Laurus. When French retailer Casino bought a one-third share of Laurus, the majority of the new Konmar supermarkets were transformed back to the Super de Boer and Edah formats. That left Laurus with 3 formats to focus on.

In October 2003, a price war, initiated by Albert Heijn, broke out between the Dutch food retailers. Due to the growing market share of discounters (Lidl and Aldi) and the slowing economy at that time, consumers were shedding retailer-loyalty and started visiting multiple retailers for different products. By lowering prices for selected products, retailers tried to better position themselves and attract the "floating consumer". Two and a half years later, Albert Heijn had been able to regain its lost market share while Laurus continued to lose share.

In January 2006, Laurus decided to sell Edah and Konmar. Although German discounters Aldi and Lidl and Belgium discounter Colruyt were rumored to be the buyers, in the end Edah and Konmar were sold to Dutch companies. Retail in the Netherlands remains heavily dominated by Dutch retail organizations. The roughly 7.5% market share that will be sold, will be the largest transaction in Dutch food retail history.

Changing market shares of the leading Dutch food retailers



Source: 2005 figures based on AC Nielsen data; 2006 FAS estimates

NOTE: Sligro, Sperwer, Jumbo and Others fall under the Dutch buying group Superunie